

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the matter of)	
)	
Exclusive Service Contracts for Provision of)	MB Docket No. 07-51
Video Services in Multiple Dwelling Units and)	
Other Real Estate Developments)	

REPLY COMMENTS OF WILCO ELECTRONIC SYSTEMS, INC.

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Dated: March 7, 2008

I. CENTURY COMMUNICATIONS IS AN ANOMALY, NOT THE STANDARD FOR PCO'S

In the recent weeks, the Commission has been inundated with letters complaining about the service that a number of residents in the Florida area have received from the "Private Cable Operator" (PCO) that serves them. These letters have suggested that PCO's should not have the ability to have exclusive contracts, and bulk billing agreements, due to the fact that they provide substandard service and the consumer has to pay for services that many of them do not desire, as a result of that arrangement. However, the actions of a single company which, in itself, is not a traditional PCO, should not have any effective bearing upon the Commission's decisions on the future of PCO's, as a whole.

In a comment from John Carter, a resident of Live Oak Preserve, he states "The bulk agreement with Century was entered into by the Falcone family, primary owners of Transeastern Homes and Century Communications..."¹ As a result of the companies' co-ownership, the 15 year contract was uncontested and was never similar to the services provided to the residents of an MDU community, at the request of the homeowners, but rather, a set of services provided to the residents by the builder. The effective collusion, between the developer and Century Communications, presents a situation where the residents of the MDU's, from

¹ Comment of John Carter, 9012 Iron Oak Ave, Tampa, Fl. 33647, Reply to comments of the Community Associations Institute (CAI) of Feb. 6,2008

which the comments are originating, are being charged unfairly for sub-par services through the payment of their Homeowner Association (HOA) fees. There are several instances of PCO's who service residents of MDU's, of which there is shared ownership between the PCO and the MDU community, where the service is equal to, or greater than any company in the marketplace. Sub-par service is not a general practice of the PCO marketplace, but rather, the result of the nepotistic relationship between Century Communications and TransEastern Properties' and something that we deplore.

Much like when a developer builds a community and adds a list of available amenities, such as a pool or workout room, the resident is not able to parse out of the association fees, the costs of the maintenance of those services, if they choose not to use them or if the services don't meet the exact needs of the homeowner. Live Oaks Preserve developer's website states "amenities include a spacious clubhouse, resort style pool, fitness room, tennis courts, basketball courts, tot lot and county park"², however if any of those services no longer meet the needs of the homeowners, they will not seek regulatory assistance to settle those disputes, as they shouldn't for their cable service. Consumers are free to select the communities which best fit their needs, and to choose where they want to live based upon the selection of the current available inventory on the housing market, and the type of community they desire. It is, however, the responsibility of the HOA or tenant board to enforce the quality of the service which they receive, and to seek restitution for any material breach of the contract. The residents of the communities served by

² <http://www.englishomes.com/tousa/ShowCommunity.do?communityId=539>

Century Communications have filed a breach of contract lawsuit in the State of Florida, to nullify their contract with Century Communications³. We believe that their comments filed under this Report and Order are unfairly biased due to their pending litigation, but do support their right to demand quality service from their current provider. However, for them to state that they have in some way been affected unfairly by the PCO market is simply untrue, due to the fact that they are basing their observations on a single non-traditional PCO, with whom they are involved in litigation.

II. TRADITIONAL PCO'S DO OFFER PRICE BASED AND QUALITY SERVICE LEVEL VALUE TO CONSUMERS THAT TRADITIONAL MSO'S CANNOT DELIVER.

The PCO marketplace is sorry to hear about the quality of the service being offered to the residents served by Century Communications, and wish that we could take action to assist them. But unfortunately we can do little more than show an example of the types of services offered by traditional PCO's versus the services they are receiving. Subsequently, it would only serve to exacerbate their disservice with their current situation and make them more interested in utilizing a change in the Commission's current ruling to help them, to the detriment of the many persons being served by traditional PCO's. When in reality, PCO's because of their relative size and stature are often held to a much higher standard than the incumbent MSO's, in the same operating area, due to the fact that there is an inherent belief about the risk profile of associating with a small company. Therefore, a traditional

³ <http://www2.tbo.com/content/2008/jan/03/pa-homeowners-association-sues-to-get-out-of-cable/?news-pasco>

PCO is under tremendous pressure to remain competitive in its service offerings, as compared to a much larger MSO, even to the point of being unfair to the PCO. When you look at the services provided by true PCO's to the MDU residents they serve, it is often a mirror of the services offered anywhere else in the marketplace, or better. PCO's deliver a price based, and service level value to the consumers they service that the traditional MSO cannot deliver.

III. CONCLUSION

Therefore, despite the appearance of the industry, all PCO's are not created equal, nor do they offer the same services or quality of service, the same as most MSO's. It would be unparalleled if there was 100 percent customer satisfaction for any company, in our industry, as it doesn't exist in any other real world industry. The customers of most PCO's are enjoying a quality of service equal to, or higher than, that of most other cable companies. This is the direct result of PCO's responsibility to tailor pricing and programming to meet the needs of the customer base, and to stay competitive with the rest of the MVPD marketplace. PCO's, as a general rule, pride themselves on being small companies who are competing with, and in some cases, beating the larger companies they compete with for exclusive service agreements. There is a certain amount of pride that comes when David gets a chance to beat Goliath, but that only happens when David can compete on a level playing ground. If the PCO industry's ability to exist is measured by a set of standards higher than the rest of the industry, then the industry will not survive.

For the foregoing reasons, Wilco respectfully submits that Commission take into consideration that one non-traditional PCO does not and is not reflective of an entire industry. Therefore, Wilco urges that the Commission adopt a Report and Order that continues to allow Private Cable Operators to continue use and enforcement of exclusive access and service contract provisions.

Submitted on March 7, 2008

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